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SUBJECT: ITALIAN ELECTIONS: A SETBACK FOR BOTH BERLUSCONI AND PRODI

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SUMMARY AND COMMENT

[1](#)1. (SBU) Based on close-to-final results from the European Parliament and local elections, center-right and center-left ran almost a dead heat in Italy, with vote shifts occurring within coalitions. Voters rebuked Prime Minister Berlusconi; his Forza Italia party dropped fairly significantly. European Commission President Romano Prodi did not do so well, either, however. The "Prodi List" coalition of moderate center-left parties fared little different from its 1999 showing. Small parties gained, notably Communist Renewal (RC) on the left and Union of Christian Democrats of the Center (UDC) on the right. There was little evidence of a backlash stemming from opposition to Italy's involvement in Iraq.

[1](#)2. (SBU) Taken as a predictor for national elections, the voting emphasizes the left's inherent instability. A center-left government in Italy can only win a majority if moderate parties form a coalition with far left parties such as RC and the Greens. A center-right coalition is more stable)- but this one is going to have to work to keep its electorate. Berlusconi is under pressure to acknowledge UDC and larger coalition partner National Alliance's stronger showings. Some reallocation of government spoils and priorities is certain, but coalition allies have indicated a willingness to work with Berlusconi to avoid constituting a new government. END SUMMARY AND COMMENT.

NO LANDSLIDES, JUST COALITION REGROUPING

[1](#)3. (SBU) Their hoped-for landslide in favor of the center-left in Italy's European Parliament and local elections did not happen, undermining Romano Prodi's vaunted leadership and ability to unite the center and moderate left. Forza Italia also fell, challenging Silvio Berlusconi's role as the center-right's primary vote getter. Votes shifted from one party to another within coalitions, with overall totals on the left and right staying much the same as in 1999 European Parliament elections. (NOTE: Final tallies are not yet in, but the implications are clear and allow us to analyze the election's impact. We will report details of returns septel when final results are in.)

[1](#)4. (SBU) On the center-right, Forza Italia (FI) lost ground against coalition partners National Alliance (AN, Deputy Prime Minister Fini's party) and UDC. While UDC's results appear more significant, AN's are also noteworthy. The party's results are about the same as last time, but AN lost a splinter faction, Alessandra Mussolini's Social Alternative. While it's not clear how much of Mussolini's paltry 1.2 percent came from AN's far-right flank, it is evident Fini increased AN's draw in the center, and likely from FI)- a long-term goal. The Northern League also went up slightly)- a victory especially in light of the serious and prolonged illness of party leader Umberto Bossi. In sum, the governing coalition seems to have received about the same percentage of the vote as in the 1999 European elections.

[1](#)5. (SBU) Considering the extreme personalization of his electoral campaign, leading the ticket in every district and confidently predicting FI would earn 25 percent of the vote, Berlusconi the campaigner and coalition leader took a blow. He is under pressure (starting even with last year's local elections, Ref B) to acknowledge UDC and AN's stronger showings. Some government reallocation is certain, although coalition allies have indicated a willingness to work with the PM to avoid formation of a new government. (Berlusconi wants to avoid a full cabinet reshuffle, which would require a new authorization vote in Parliament. He wants his current Government, already the longest-serving in post-war Italy, to continue into 2006, thereby setting another record as the first post-war government to serve its full term.) The center-left may seek to use a reshuffle to push for a vote of confidence, but it lacks the means to force a Government

fall. The Government retains its Parliamentary majority and ultimately will call the shots.

16. (SBU) A shift in Government priorities is also possible, perhaps milder tax reduction, more welfare and support to southern Italy, or other moves in keeping with AN's and UDC's more populist programs -- although these demands will clash

with the Government's need to bring economic revitalization. Finally, Berlusconi may have to break with his character and seek to work more as part of a team with his coalition partners. While we aren't certain he can do it, he needs to try less grandstanding and more coalition building. The good news for the Government is that Italy did not register the large anti-government vote seen in other European countries, nor did Berlusconi suffer the defeat of Blair, Chirac, and Schroeder. There will be some reorganizing, but the Government will likely live to see the end of its five-year term.

17. (SBU) On the center-left, the "Prodi List's" break with tradition to run as a coalition failed to garner a hoped-for windfall. It, too, scored about the same as its member parties did in 1999, like the left overall. Prodi's inability to break an unstated threshold of some 33-35 percent calls into question his leadership of a moderate, reformist center-left and his ability to unite the moderates and those further left. There are few on the scene who could lead a united left coalition, and these elections may make the prospects for forming one in the next national elections more challenging. (Rome Mayor Walter Veltroni, who handled the recent visit of President Bush with balance and tact, may be positioning himself as a possible challenger. He has earned the respect of even some of Rome's center-right voters, allowing ample freedom to the left without ignoring centrists.)

18. (SBU) On the left, Communist Renewal was the notable winner, gaining perhaps two percentage points over its 1999 performance, an approximately fifty-percent increase. The elections once again confirmed that any center-left coalition remains hostage to the parties of the far left -- RC, the Greens, and the Italian Communist Party (PDCI) -- which together garnered some 11 percent of the vote. These groups, in turn, are beholden to pacifist and more extreme leftist social groups. This also underscores the inherent instability of a center-left government. The untenable (from the perspective of a responsible national government) demands of RC were what ultimately brought down the 1996 Prodi government.

WHAT DREW THE VOTERS?

19. (SBU) Italians voted in record numbers compared to their European counterparts, with a turnout of some 73 percent. (High voter turnout is the norm in Italy; previous EP elections registered 70.8 percent voter turnout.) This turnout was not motivated by interest in European issues, but by domestic interests. Opposition to Italy's involvement in Iraq does not appear to have weighed on the elections as much as had been expected, although an effort to send a vote in favor of "peace" may have accounted for some of the left vote going to Communist Renewal, the Greens and others that consistently opposed Italy's involvement in Iraq. Left voters wanted first and foremost to "send Berlusconi home." Some may have also sought to send a message to the Democrats of the Left (DS), the majority component of which has been seeking a more centrist path and has thus not taken a clear-cut stand on leftist (not only Iraq) issues. Given the decision by DS, Daisy, Italian Socialists, and the European Republicans to run under a single ticket, it is difficult to say which entity lost votes. The fact remains, however, that RC, PDCI, and the Greens all gained.

110. (SBU) Center-right voters in the end seemed to show appreciation, not disdain, for the Government's accomplishments, but there was also a distinct rebuke to Berlusconi. This could have been prompted by his perceived arrogance, a perceived inability to follow through on campaign pledges, or a perception that FI is more responsible than its partners for failing to improve Italy's economic performance. In the end, Italians voted for the parties they like; they did not heed the call of Berlusconi and Prodi to ignore the little parties and increase the "bipolarization" of the Italian political system. A "bipolar" scene may make for less political chaos, but it apparently doesn't make for a happy Italian electorate.

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